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TO RUEHC/SECSTATE WASHDC 2835
INFO RUEHWH/WESTERN HEMP AFFAIRS COL COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 0252
RUEHUL/AMEMBASSY SEOUL 0167
RUEHKO/AMEMBASSY TOKYO 0087
RUCOMFJ/HQ USPACOM HONOLULU HI
RUMIAAA/HQ USSOUTHCOM MIAMI FL
RUEHCV/USDAO CARACAS VE
RUEHIN/AIT TAIPEI 0112

C O N F I D E N T I A L SECTION 01 OF 03 BRIDGETOWN 001139

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SUBJECT: CHINESE AMBASSADOR TO BARBADOS WELCOMES U.S.-PRC
SUBDIALOGUE

REF: A. BRIDGETOWN 1095

[1](#)B. BRIDGETOWN 005

[1](#)C. 05 BRIDGETOWN 515

[1](#)D. STATE 70035

[1](#)E. BEIJING 7116

[1](#)F. OTTAWA 1996

[1](#)G. QUITO 1578

[1](#)H. SANTIAGO 1224

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Classified By: DCM MARY ELLEN T. GILROY; REASONS 1.4 (B) AND (D)

[1](#)1. (C) SUMMARY: In two separate conversations with Ambassador and DCM, Chinese Ambassador to Barbados Liu Huanxing discussed WHA A/S Shannon,s trip to Beijing, possible U.S.-PRC consultations on hemispheric cooperation, the recent visit of Chinese Vice Foreign Minister Yang Jiechi to the Eastern Caribbean, and the problem China faces as a &small shareholder8 in the Venezuelan state oil company which recently diverted from Barbados to China all its production of Orimulsion, a patented heavy fuel used for cement production. The American-educated PRC ambassador foresees a regional embassy in the Eastern Caribbean on the U.S. model, following the eventual consolidation of PRC representation throughout the region. END SUMMARY.

[1](#)2. (C) In response to ref D, para 7, post solicited the views of Ambassador of the People,s Republic of China to Barbados Liu Huanxing on the April 8-15 visit of WHA Assistant Secretary Thomas Shannon to Beijing. (The Ambassadors of

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Japan and Korea are resident in Port of Spain and Caracas, respectively.)

SHANNON IN BEIJING; FUTURE U.S.-CHINA CONSULTATIONS

[1](#)3. (C) When first approached about A/S Shannon,s trip to Beijing, Ambassador Liu was unaware of the visit. However, in response to a subsequent query, the Chinese envoy said that he had read Beijing,s report on the meetings. He expressed the view that the U.S.-PRC sub-dialogue on Latin

America was a positive initiative that he hoped would continue, perhaps following the model of annual bilateral consultations held between China and other nations, such as Russia and Spain. (NOTE: The Chinese ambassador declined to provide further details. END NOTE.) He suggested that such a consultation should be a broad look at the Western Hemisphere, including Latin America and the Caribbean. He thought an annual consultation would be a very useful exchange, and might even lead to coordination and/or collaboration on some types of assistance. He also expressed cautious enthusiasm for consultations within the Barbados diplomatic donor community. (NOTE: The diplomatic presence in Barbados consists of the U.S., UK, Brazil, Canada, China, Cuba, Venezuela, the EU, and UNDP. The Ambassador of Costa Rica departed on June 10, and its Embassy will close permanently in late July. END NOTE.)

14. (C) Using Barbados as an example, Liu said that his embassy received a constant stream of requests for equipment and training from various GOB ministries. Recently, the Royal Barbados Defence Force (RBDF) asked for training in martial arts, disaster relief coordination, and communications. Liu said he was aware through media reports of training given to the RBDF by the U.S. and the UK. He wondered if some of the training provided under various bilateral auspices might not be duplicative. He also speculated that the donor nations might have different philosophies of training and execution that could confuse the recipients if they had to decide which style to adopt. Coordination among the donors could lead to different nations specializing in certain areas, which would eliminate duplication.

15. (C) COMMENT: Liu's comments on GOB requests for assistance from China were surprising. The only approaches made to the USG by the GOB for assistance were for emergencies (the destruction by fire of the Glendairy Prison) or big-ticket items (the entry/exit swipe card for Cricket World Cup 2007). Our UK and Canadian colleagues report

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similar large requests from the GOB. END COMMENT.)

VIP VISITOR

16. (C) Chinese Vice Foreign Minister Yang Jiechi visited several nations in the Eastern Caribbean in late May-early June. (NOTE: Per ref E, A/S Shannon met with VFM Yang in Beijing on April 14. END NOTE.) Heading a six-member delegation, the VFM arrived in Grenada May 30 and signed a Cultural Cooperation Agreement there on June 1. The Chinese delegation proceeded to Dominica where the VFM reportedly signed the financial agreement for the rehabilitation of the Roseau to Portsmouth Highway, the second of four projects China agreed to finance when Dominica established diplomatic relations with the PRC on March 23, 2004. The VFM is said to have inspected the first of these projects, the USD50 million Windsor Park Sports Stadium, during his two-day stopover on the &Nature Island.8

17. (C) According to the Chinese Ambassador, VFM Yang and his party spent seven (7) nights in Barbados. Yang reportedly signed two agreements providing USD 8 million to Barbados. In addition to official meetings, which received extensive media coverage, the VFM conducted in-house sessions at the PRC Embassy. Liu provided no further information on the internal meetings. The Chinese ambassador said he was very proud to have hosted the VFM, but expressed relief that his visitor had finally departed. Liu observed that it was extremely difficult to get the GOB to commit to meetings in a timely way, and, once the visit was underway, to stick to schedule as GOB officials were uniformly late to arrive and talked longer than anticipated by the Chinese organizers. (COMMENT: It was oddly comforting to post to hear the

Chinese diplomat express frustrations similar to our own.
END COMMENT.)

¶8. (C) Ambassador Liu commented that President Hu Jintao recognizes that he has little background in foreign affairs and has surrounded himself with knowledgeable and experienced people to get up to speed on international matters. The Chinese ambassador explained that the VFM had spent many years in Washington. VFM Yang accompanied President Hu on his recent trip to the U.S. and was present for the meetings with President Bush and Bill Gates.

THE PROBLEMS OF A & SMALL SHAREHOLDER8

¶9. (C) Liu observed that the VFM spent considerable time discussing energy issues with GOB officials, especially the abrupt cut-off of sales of Orimulsion fuel oil to the sole cement factory in Barbados, Arawak (ref A). The Venezuelan company is government-run, and the GOB discovered that the PRC is one of its shareholders. This resulted in extensive lobbying of the VFM by the GOB, in spite of his protests that the PRC was a small shareholder. Liu commented that the China State Construction Company (CSCC), which is licensed as a construction contractor in Barbados, and has several major projects underway, would also be negatively impacted by the anticipated significant rise in price of locally produced cement.

¶10. (C) COMMENT: The Chinese Ambassador's version of events may be disingenuous. Press reports indicate that the Chinese and Venezuelan state oil companies started producing Orimulsion in Venezuela via a joint venture in April 2006. (Venezuela is the world's sole producer of Orimulsion.) According to Arawak Cement's production manager, in early June the Venezuelan state oil company abruptly cut off the supply of Orimulsion to Barbados with a year left in the contract. Reportedly, the entire Venezuelan output of Orimulsion will be redirected to China, meaning other consumers of the fuel will likely have their contracts canceled as well. END COMMENT.

¶11. (C) On a related note, discussion of the performance of CSCC led Liu to observe that the Chinese economy was

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overheated, and there was a need for the government to slow it down and focus on infrastructure development and education to ensure that China continued to move forward.

BIO NOTE

¶12. (C) Ambassador Liu Huanxing appears to be in his mid- to late forties. He is more outgoing than his predecessor and speaks excellent, albeit heavily accented, English. He received a master's degree in international relations from School of Advanced International Studies (SAIS) of Johns Hopkins University. He previously served as Ambassador to Trinidad and Tobago. The Chinese envoy commented, with some wistful regret, that as a senior diplomat he had less control over his choice of posting than junior officers; at his level, the Foreign Ministry directed his assignments. He did, however, express a preference for working overseas, dealing with only one country. If he were at the MFA in Beijing, he would have a considerably heavier workload directing an office dealing with several countries and governments.

COMMENT

¶13. (C) Ambassador Liu is a thoughtful diplomat who appears

happy to talk with U.S. Embassy staff. His portfolio is limited to Barbados as China (both Beijing and Taipei) maintains an embassy in each of the independent countries of the Organization of Eastern Caribbean States (OECS). He cautiously acknowledges Beijing's diplomatic efforts to persuade St. Kitts and Nevis and St. Vincent and the Grenadines to transfer diplomatic relations from Taipei to Beijing. The Chinese ambassador allowed that this is a long-term process and declined to speculate on a time frame for displacing Taiwan in the region. He did, however, suggest that once all six independent OECS members have established diplomatic ties with Beijing, the PRC's diplomatic representation would probably be consolidated in one embassy, located in Barbados, with regional responsibilities, following the U.S. model.

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